

Volume 28, Issue 3**Research Announcement****Old Wine in New Bottles: Growth-Savings Nexus, An Innovation Accounting Technique in Pakistan**

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Abstract

The present endeavor investigated relation between economic growth and gross domestic saving by employing new technique for causal association. Utilizing time series data in the model ARDL Bounds Testing and Johanson Cointegration Approaches for long run association. Innovation Accounting Technique and Toda & Yamamoto (1995) for causal friendship between economic growth and domestic saving are applied. Ng-Perron Test is used for order of integration for two variables. Results of particular study revealed that there exists a long run relationship between economic growth and domestic saving and their association is robust at least in long run. Causal results through innovation accounting technique assert that there is one-way causality running from economic growth to gross domestic savings and supporting Sinha (1996) findings regarding Pakistan. Results by Toda and Yamamoto's (1995) also confirm that economic growth leads to gross domestic savings in Pakistan.

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